

# ***What is a Co-op ?***



**Every Cooperative and Every  
Cooperator Has an Answer.**

# ***Takoma Park – Silver Spring Cooperative, Incorporated***

**is a cooperative and a for-profit Maryland corporation.**



*Consumer cooperatives operate at the retail level to provide goods and services for end users.*



**TPSS Co-op is a consumer cooperative owned by its users.**



# **International Co-operative Alliance**

## ***Statement on the Co-operative Identity***

### ***Definition***

A Cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise.

### ***Values***

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, Cooperative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

### ***Principles***

The Cooperative Principles are guidelines by which Cooperatives put their values into practice.

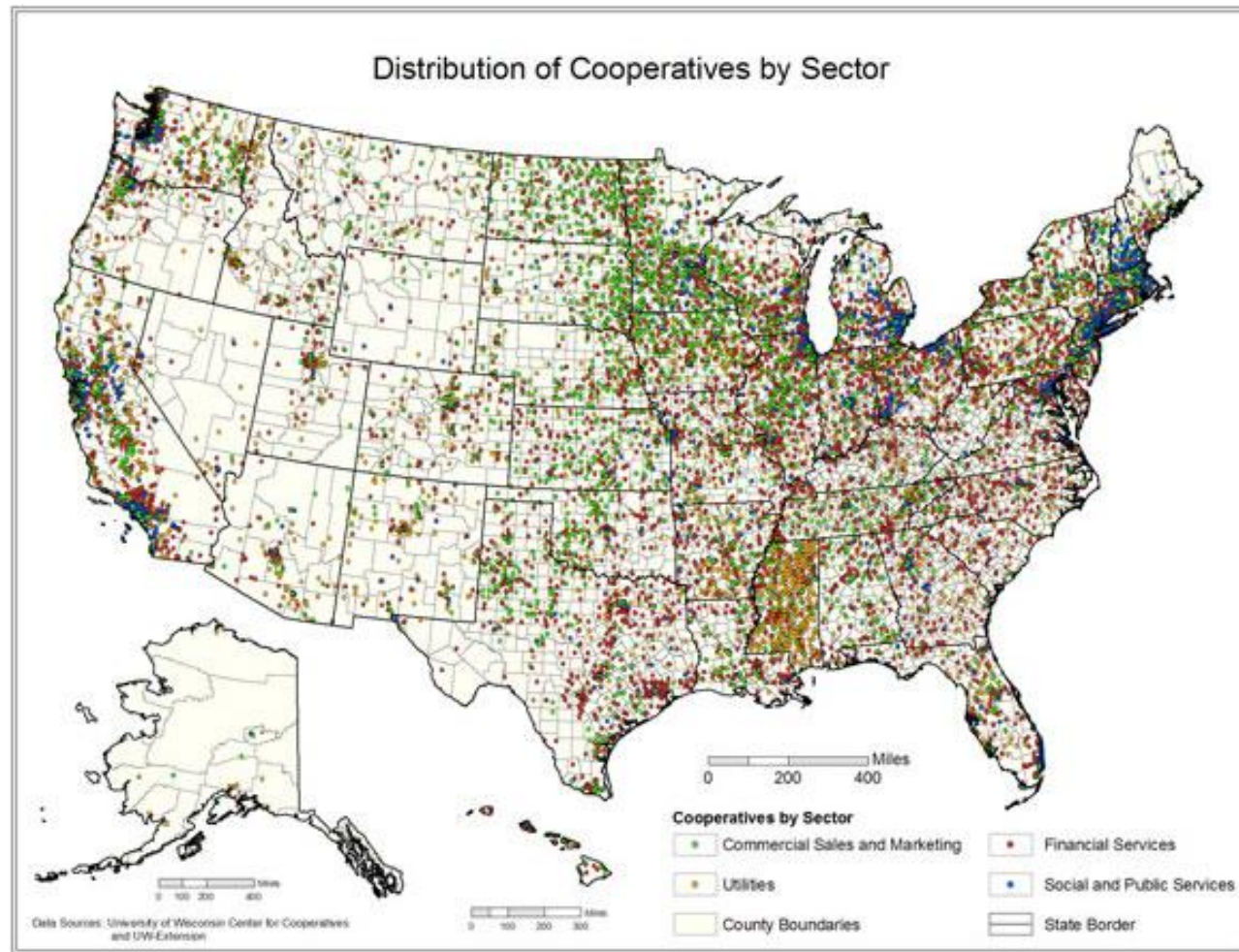
# **International Co-operative Alliance**

## ***Co-operative Principles, 1995***

- |                              |                                                     |
|------------------------------|-----------------------------------------------------|
| <b><i>1st Principle:</i></b> | <b><i>Voluntary &amp; Open Membership</i></b>       |
| <b><i>2nd Principle:</i></b> | <b><i>Democratic Member Control</i></b>             |
| <b><i>3rd Principle:</i></b> | <b><i>Member Economic Participation</i></b>         |
| <b><i>4th Principle:</i></b> | <b><i>Autonomy &amp; Independence</i></b>           |
| <b><i>5th Principle:</i></b> | <b><i>Education, Training &amp; Information</i></b> |
| <b><i>6th Principle:</i></b> | <b><i>Cooperation among Cooperatives</i></b>        |
| <b><i>7th Principle:</i></b> | <b><i>Concern for Community</i></b>                 |

# ***30,000 American Cooperatives***

## ***73,000 Places of Business***



***Economic Impact  
of U.S. Co-ops:***

***Assets***

***\$ 3 Trillion***

***Revenues***

***\$ 654 Billion***

***Wages & Benefits***

***\$ 75 Billion***

***2 Million Jobs***

**Source:** Deller, Hoyt, Hueth and Sundaram-Stukel, "Research on the Economic Impact of Cooperatives", University of Wisconsin Center for Cooperatives, (2009)

# *Co-ops In the Twenty-First Century*

## **Operating Locally, Co-operating Globally**

*"Cooperatives are a reminder to the international community that it is possible to pursue both economic viability and social responsibility."* — United Nations Secretary-General Ban Ki-moon

The United Nations General Assembly has declared 2012 as the International Year of Cooperatives, highlighting the contribution of cooperatives to socio-economic development, particularly their impact on poverty reduction, employment generation and social integration.



# *Co-ops In the Twenty-First Century*

Operating Locally, Co-operating Globally

## **Types of Co-ops**

*Co-op types vary by ownership.*



**Worker  
Co-ops**

**Producer Co-ops**



**Consumer  
Co-ops**



*TPSS Co-op  
growing community  
thru food*



**Purchasing Co-ops**



# ***Co-ops In the Twenty-First Century***

**Operating Locally, Co-operating Globally**

## ***Economic Sectors of Co-ops***

*Co-op sectors vary by markets served.*

***Agriculture & Fisheries***

***Insurance***

***Banking & Credit***

***Retail & Wholesale***

***Health***

***Services***

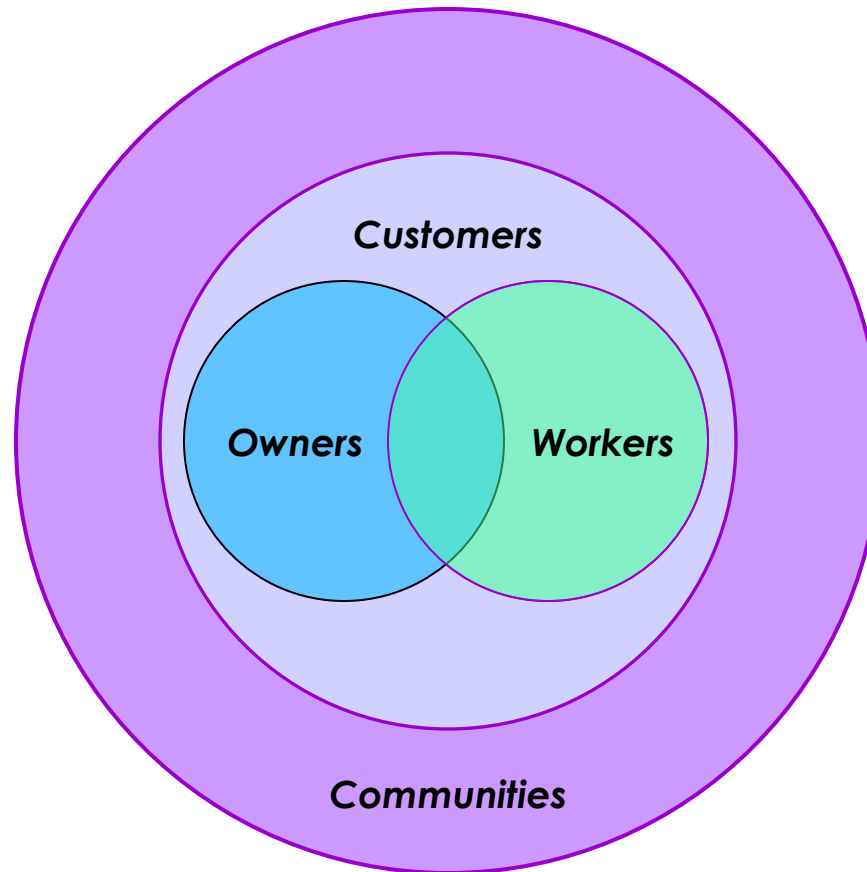
***Housing***

***Travel***

***Industry***

***Utilities***

*Cooperatives are Open, Voluntary and Democratically-Controlled.*



**Cooperatives serve multiple stakeholders:  
Owners, Workers, Customers and Communities.**

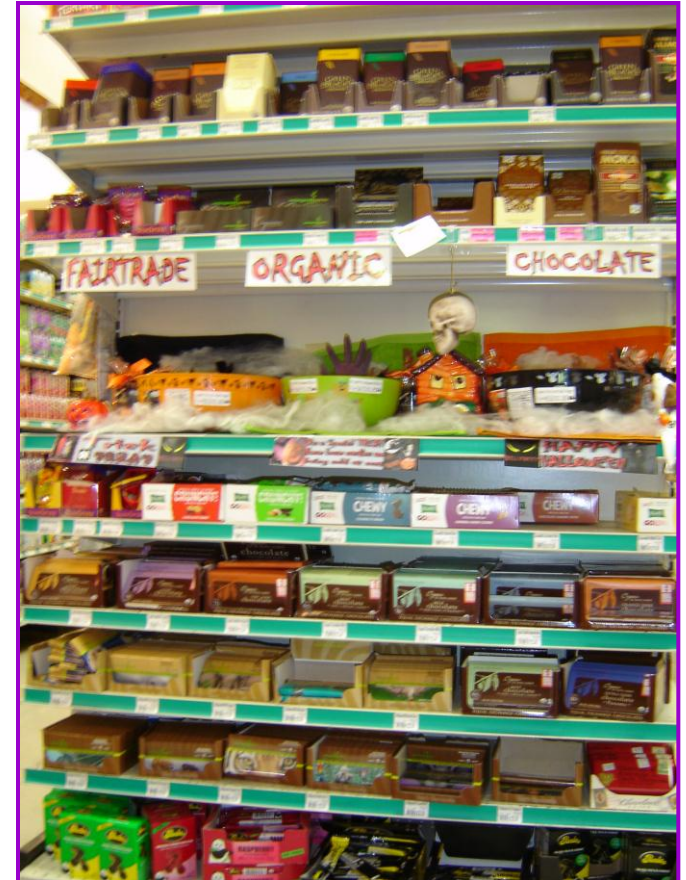
# *Self-Help: the Greatest Good for the Greatest Number*

Cooperatives exist for a purpose,  
not a profit.

Cooperatives exist because their  
users and owners need them to exist.

Cooperatives serve economic functions  
that other competitors do not deliver.

Cooperatives create jobs, pay taxes and  
provide goods and services to owners.



***Cooperatives balance divergent or conflicting interests.***



**Cooperatives  
Promote  
Fair Business,  
Fair Pricing  
and  
Fair Labor Practices.**



## ***MISSION STATEMENT***

Takoma Park-Silver Spring Co-op promotes healthful living by offering wholesome food, high quality products, and community resources in clean, friendly cooperative grocery stores – that you can own.

## ***VISION***

We are the peoples' choice for food and community.

## ***GUIDING PRINCIPLES***

We believe in supporting individual and community health and well-being

We believe in operating all businesses for the benefit of the community, society and the planet

We believe in treating people fairly, equitably, and respectfully in all human relationships

We believe in people having a say in the issues affecting their lives

We believe in educating people about the issues that affect their lives

# ***Takoma Park – Silver Spring Co-op Ends Policies***

1. TPSS Co-op will be a sustainable cooperative enterprise that benefits the community at large — consistent with community needs, financial viability, cooperative principles, healthful living, and strong environmental stewardship.
2. Co-op members are involved in and knowledgeable about the meaning, benefits and responsibilities of cooperative ownership.
3. Co-op customers have access to goods produced in socially and environmentally responsible ways, with an emphasis on local and organic foods, at reasonable prices and in welcoming community marketplace settings.

# ***Takoma Park – Silver Spring Co-op Ends Policies***

4. Customers are knowledgeable about food and food-related issues and can make informed choices about healthful living.

5. TPSS Co-op is committed to being inclusive and accessible to the whole community. The Co-op will build strong linkages through its outreach programs with surrounding communities and nearby farmers and businesses.

6. The TPSS Co-op staff has an empowering and positive workplace.

# TPSS Co-op Takoma Park Store

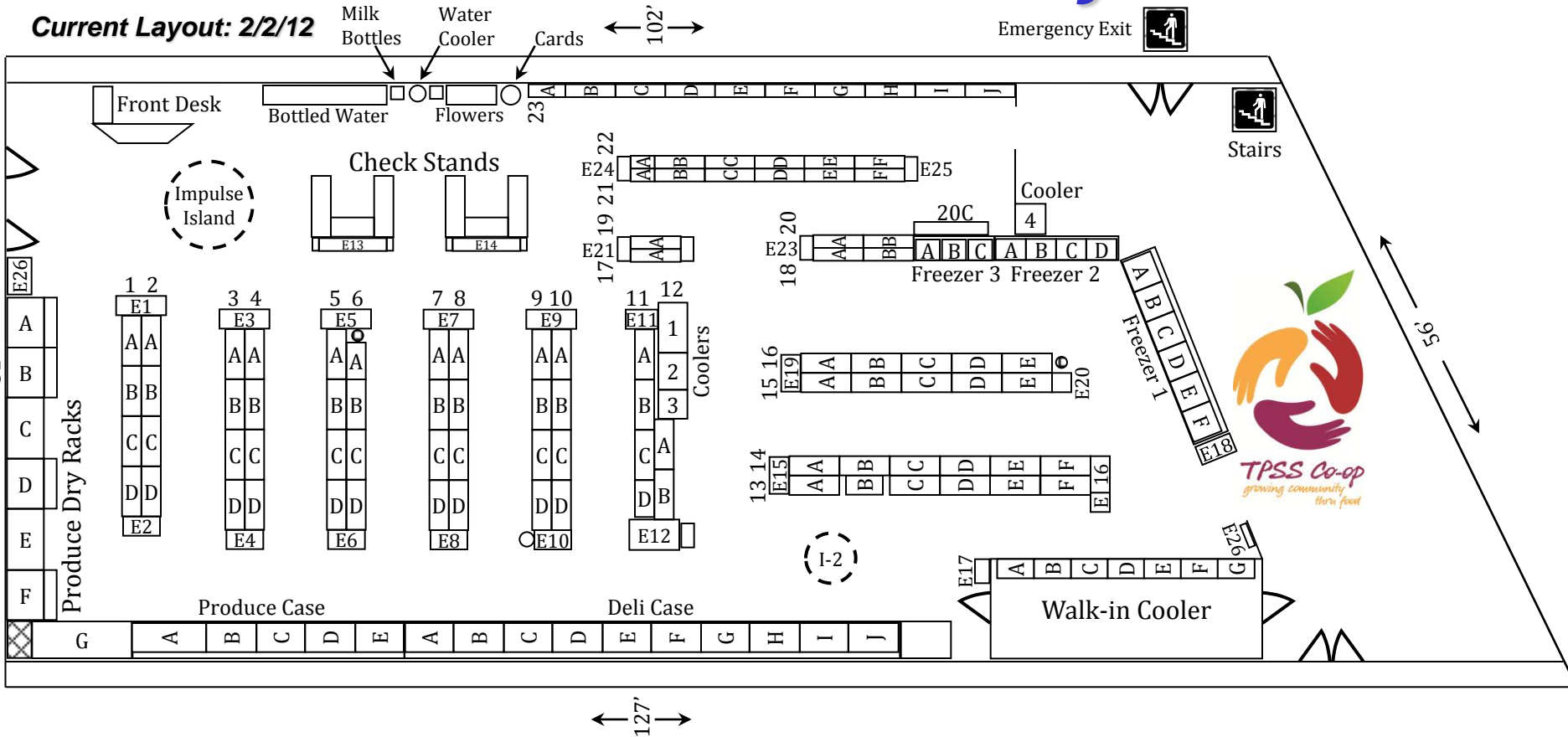
201 Ethan Allen, Takoma Park MD 20912

≈ 4260 sq.ft. sales space

Scale ≈ 13 feet/inch

## Growing Cooperation in Takoma Junction

**Current Layout: 2/2/12**



## TPSS Co-op Expansion Proposal





***Takoma Park – Silver Spring Cooperative***  
**is in good financial condition:**

Revenues well over \$10 million annually

Takoma Park sales growth greater than 5%

Profitable operations overall

Adequate working capital

Expansion Reserve Fund

No long-term debt

Good liquidity

Strong balance sheet

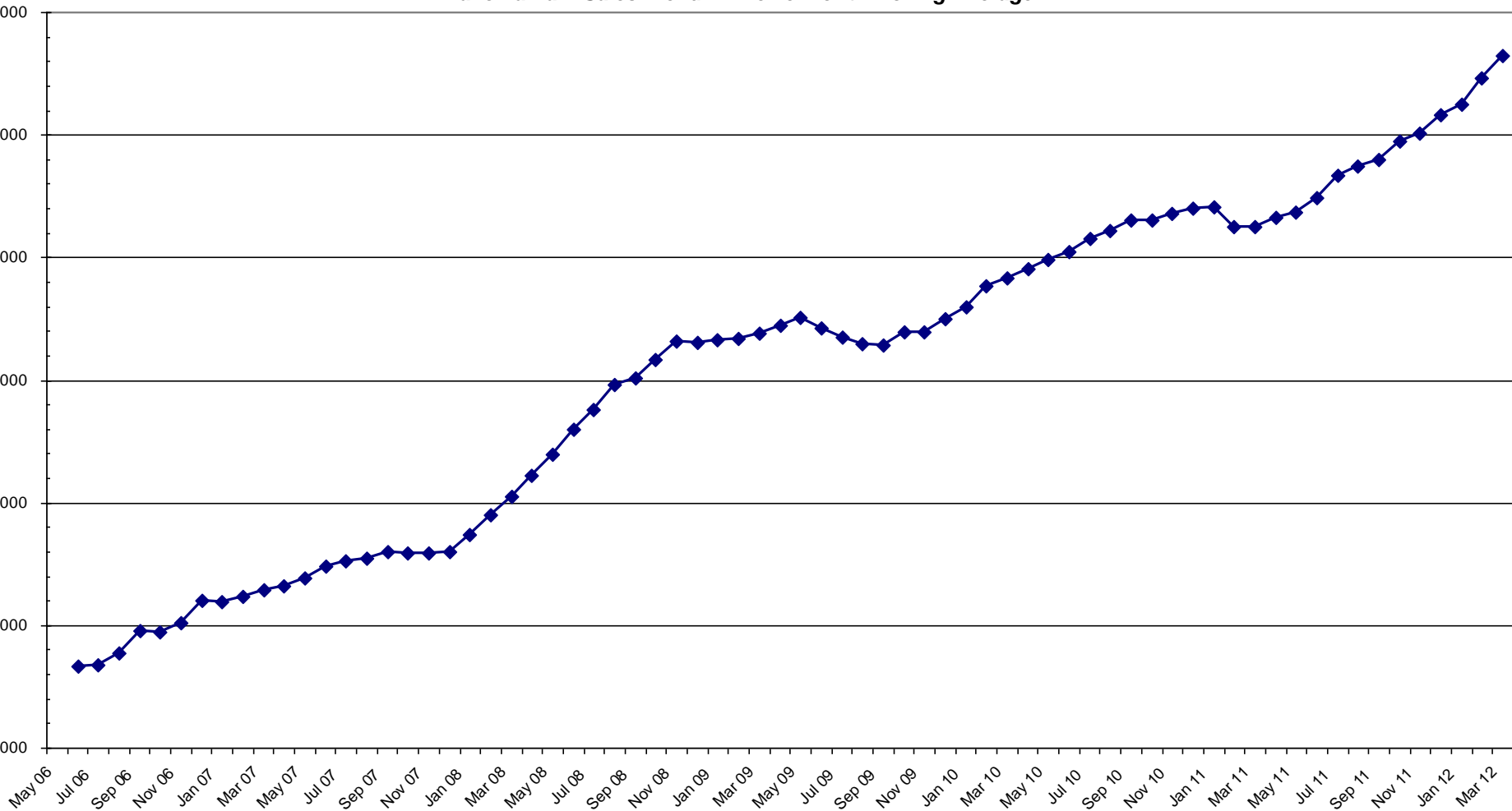
7500 community-based owners



# *Consistent Sales Growth in Takoma Junction*

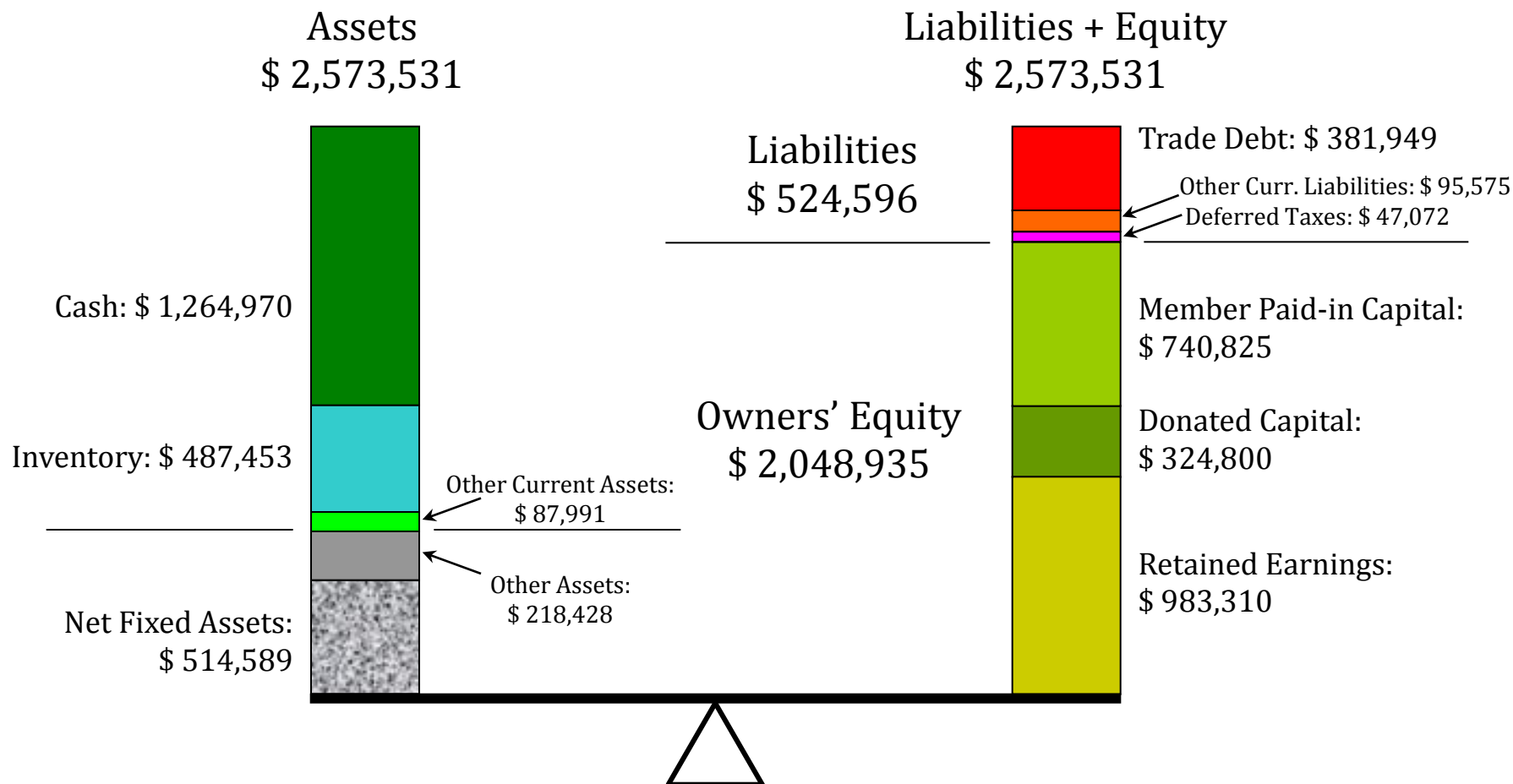
## **Selling More Food to More People**

***Takoma Park Sales Trend -- Twelve-Month Moving Average***



# TPSS Co-op Balance Sheet

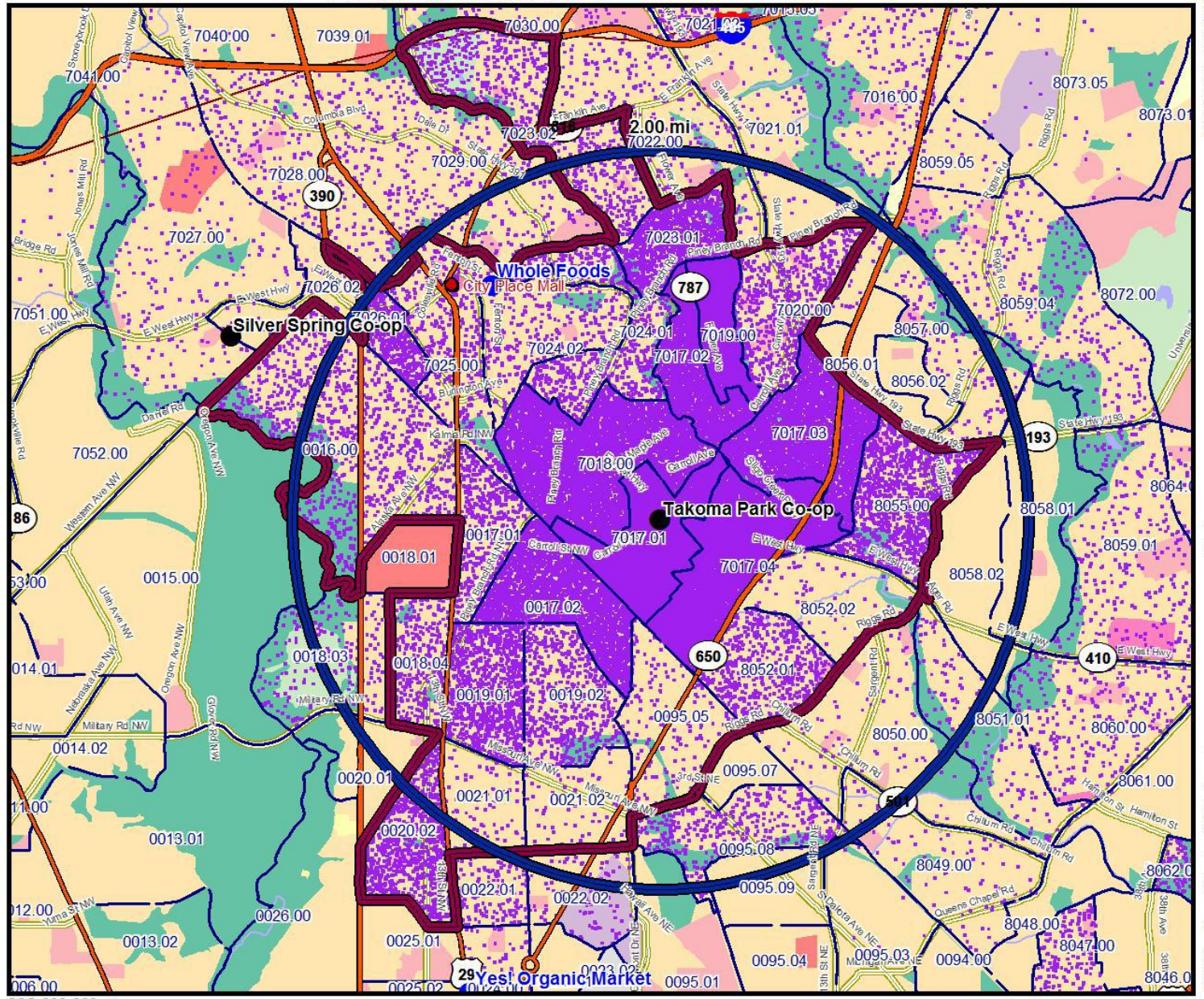
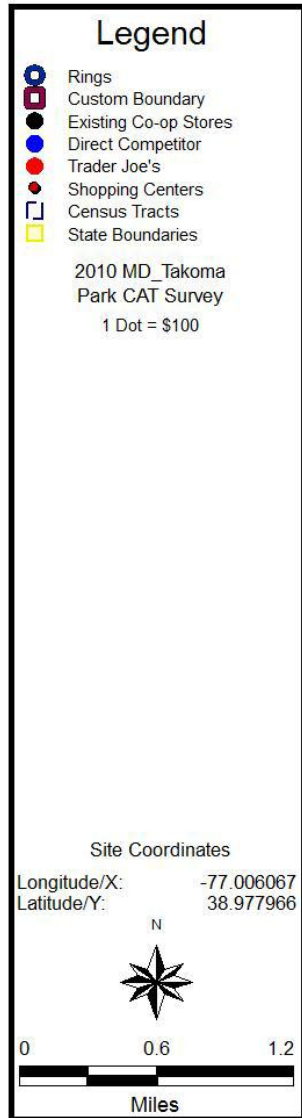
30 May 2012



TPSS Co-op has a strong balance sheet with more than \$2.5 million in assets, half in cash, and total equity of more than \$2 million, giving a debt-to-equity ratio of only 26% (almost 4X more equity than debt).



# TPSS Co-op - Takoma Park Store Sales Distribution



G2G 020-003



# ***Strategic Need for Expansion***

## **Strategic Opportunity**

Completion of the fire station and the Takoma Junction Task Force study represents a strategic imperative for TPSS Co-op. Since 1998, the Co-op has paid rent to assure access for parking, loading dock and vital services. Loss of access would force the Co-op to move.

## **Commercial Opportunity**

Selling more than \$7.7 million annually with 4260 sq.ft. retail space, the Co-op achieves over \$1700/sq ft, 30% above national average. To continue growing sales, more sales space is needed.

## **Community Opportunity**

By expanding our store, TPSS Co-op can better serve our owners, our customers and our community, offering broader selection and wider choices – selling more food to more people in Takoma Park.

# ***Strategic Need for Expansion***

## **Community Reinvestment**

TPSS Co-op plans to invest more than \$7 million in its expansion project, creating up to 12,500 square feet of new retail space in Takoma Junction.

## **Job Creation**

Currently, TPSS Co-op provides 43 full-time-equivalent jobs (FTE) in Takoma Park, averaging \$13.60 per hour. After expansion, the Co-op expects to employ a staff of 67 FTE, a 55% increase. Staffing is expected to reach 79 FTE in 2018.

## **Service Opportunity**

TPSS Co-op can increase our core service to our community and customers by expanding. The Co-op expects first-year sales of \$11 million in an expanded store, rising to \$15.5 million in 2018.

# ***TPSS Co-op Expansion Project***

## **Features**

### **Expansion Reserve Fund**

TPSS Co-op has established a steadily-growing capital reserve fund, now totaling \$553,736, which is dedicated to expansion.

### **Harmonious Facade**

TPSS Co-op intends to ensure that any new construction blends harmoniously with the fire station, the existing Turner Building and the historic nature of Takoma Junction.

### **Adequate Parking**

TPSS Co-op recognizes that parking is a concern for all the businesses in Takoma Junction. The Co-op pledges to work with the City to assure that sufficient parking is included in the project.

# ***TPSS Co-op Expansion Project***

## **Features**

### **Environmentally-Advanced Building**

TPSS Co-op plans to incorporate many features to improve both operations and environmental efficiency. A new Co-op store could incorporate a green roof, with energy-efficient lighting, heating, cooling, refrigeration or freezers and emergency power generators.

### **Buffer of Trees Screening Columbia Avenue from Project**

### **Expanded Product Offerings**

Expanding TPSS Co-op will allow more food choices, better product selection and broader inventory to better serve our community by extending our current core concentration of local, natural or organic foods and wellness items. New products or services could include a deli, bakery, meat, seafood or grab-and-go hot food, while adding a wider assortment of grocery items and product lines.



# ***TPSS Co-op Expansion Project Timeline***

## **Past & Future of TPSS Co-op in Takoma Junction**

### ***Key Dates Include:***

- |                            |                                                                                                      |
|----------------------------|------------------------------------------------------------------------------------------------------|
| <b>1980</b>                | <b>Takoma Park – Silver Spring Co-op founded:<br/>Articles of Incorporation signed 6 August 1980</b> |
| <b>1982</b>                | <b>Sligo Avenue store opens in Silver Spring</b>                                                     |
| <b>1998</b>                | <b>TPSS Co-op moves to Takoma Junction</b>                                                           |
| <b><i>Oct 23, 2011</i></b> | <b><i>TPSS Co-op owners vote to expand store</i></b>                                                 |
| <b>Dec 31, 2012</b>        | <b>Establish site-control of property for expansion<br/>Begin permitting and design processes</b>    |
| <b>Dec 31, 2014</b>        | <b>End of current lease on Turner Building</b>                                                       |
| <b><i>Jan 2, 2015</i></b>  | <b><i>Open Expanded Store in Takoma Junction</i></b>                                                 |

# ***TPSS Co-op Expansion Project Alternatives***

**TPSS Co-op is evaluating various alternatives for  
expansion in Takoma Junction**

***Examples of potential alternatives include:***

**Expansion of current store onto the City-owned lot**

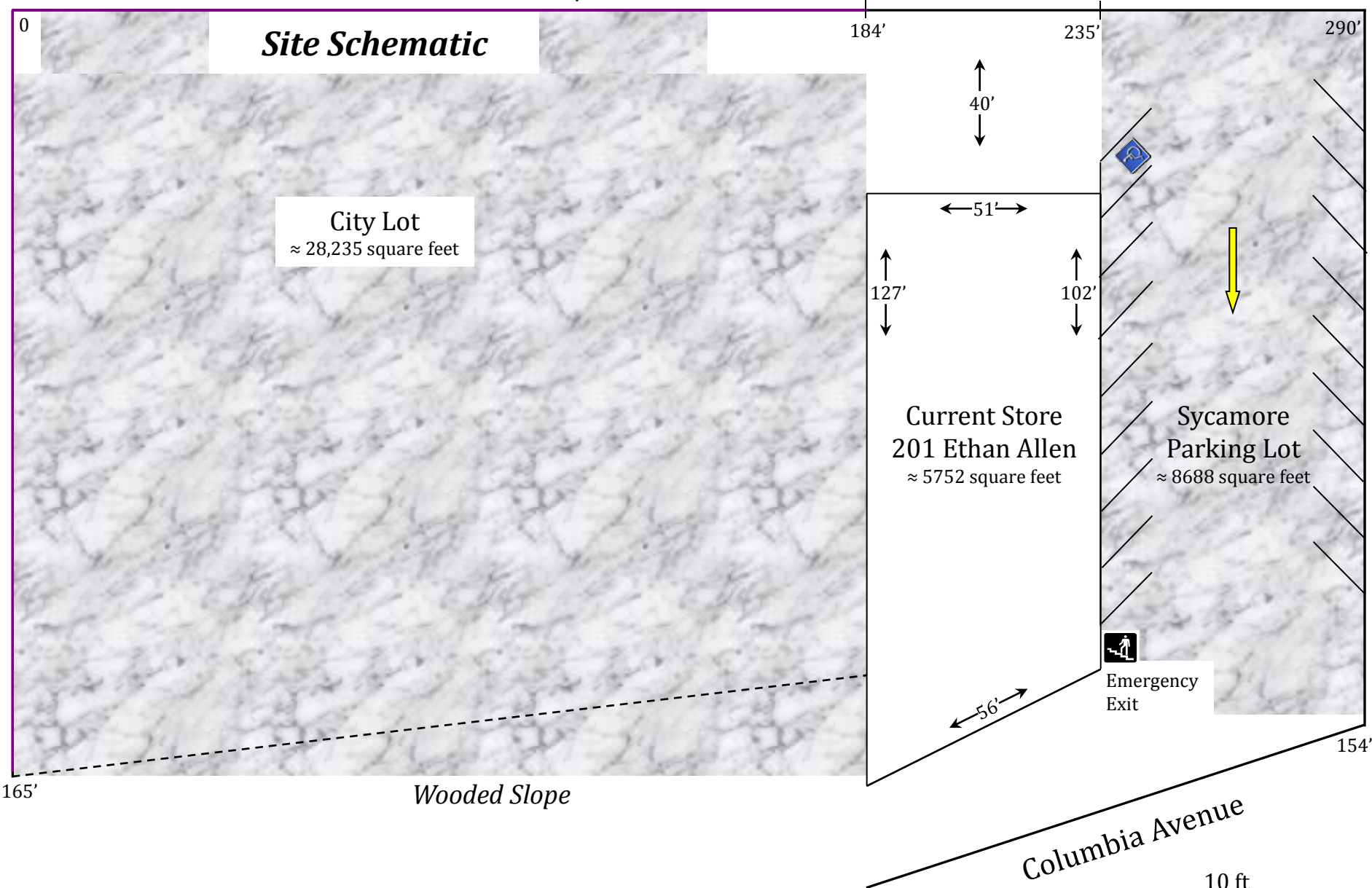
**Build a new store: Deep, narrow layout**

**Build a new store: Shallow, broad layout, parking behind**

**Build a new store: Deep, narrow layout, two-level parking**

Carroll Avenue / Ethan Allen

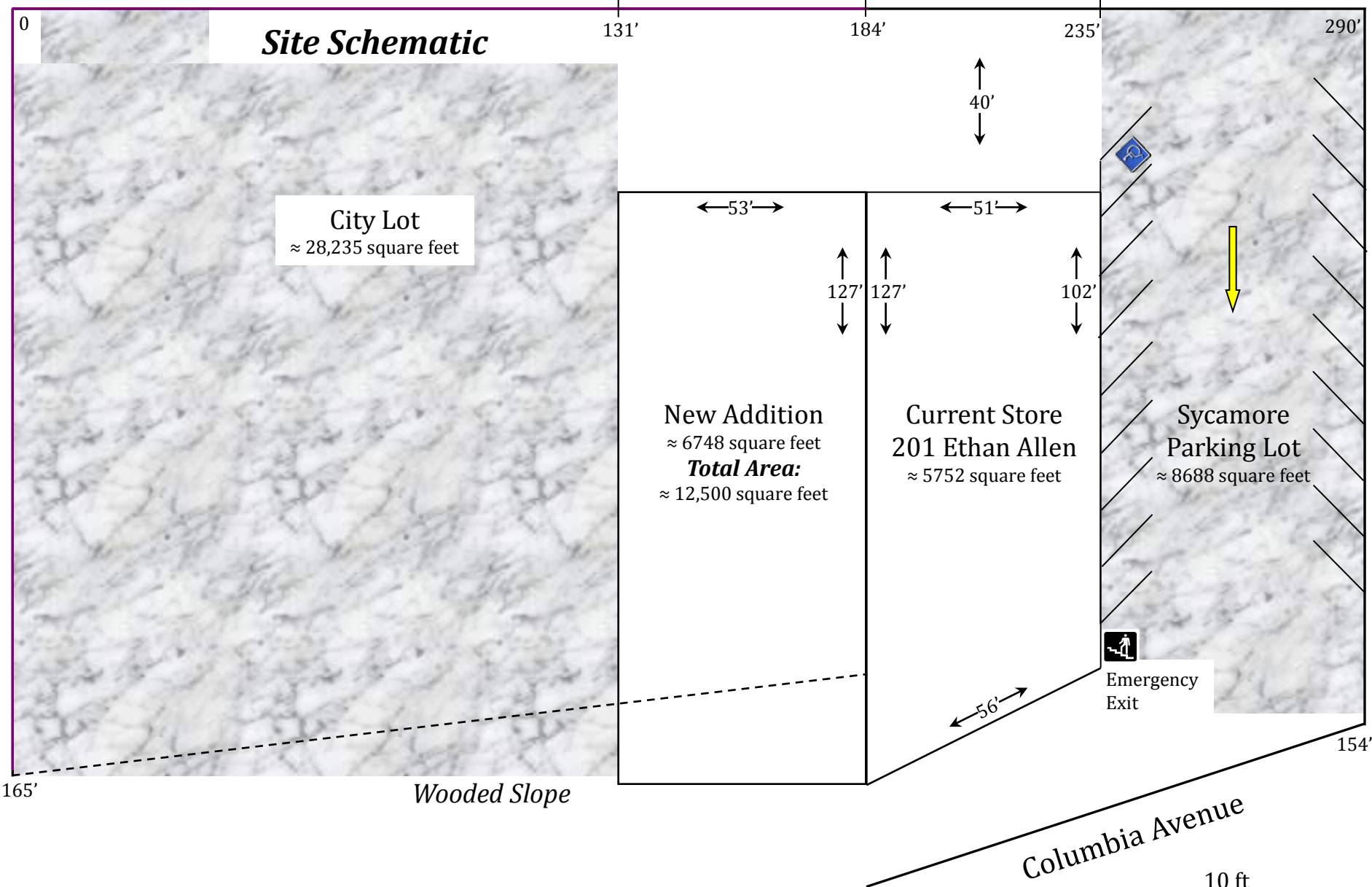
*Site Schematic*



10 ft  
50 ft  
1:360 Scale, 30 ft/ 1 inch

# Carroll Avenue / Ethan Allen

## Site Schematic



10 ft  
50 ft  
1:360 Scale, 30 ft/ 1 inch

# Carroll Avenue / Ethan Allen

## Site Schematic

City Lot  
≈ 28,235 square feet

New Store  
≈ 12,500 square feet

Current Store  
201 Ethan Allen  
≈ 5752 square feet

Sycamore  
Parking Lot  
≈ 8688 square feet



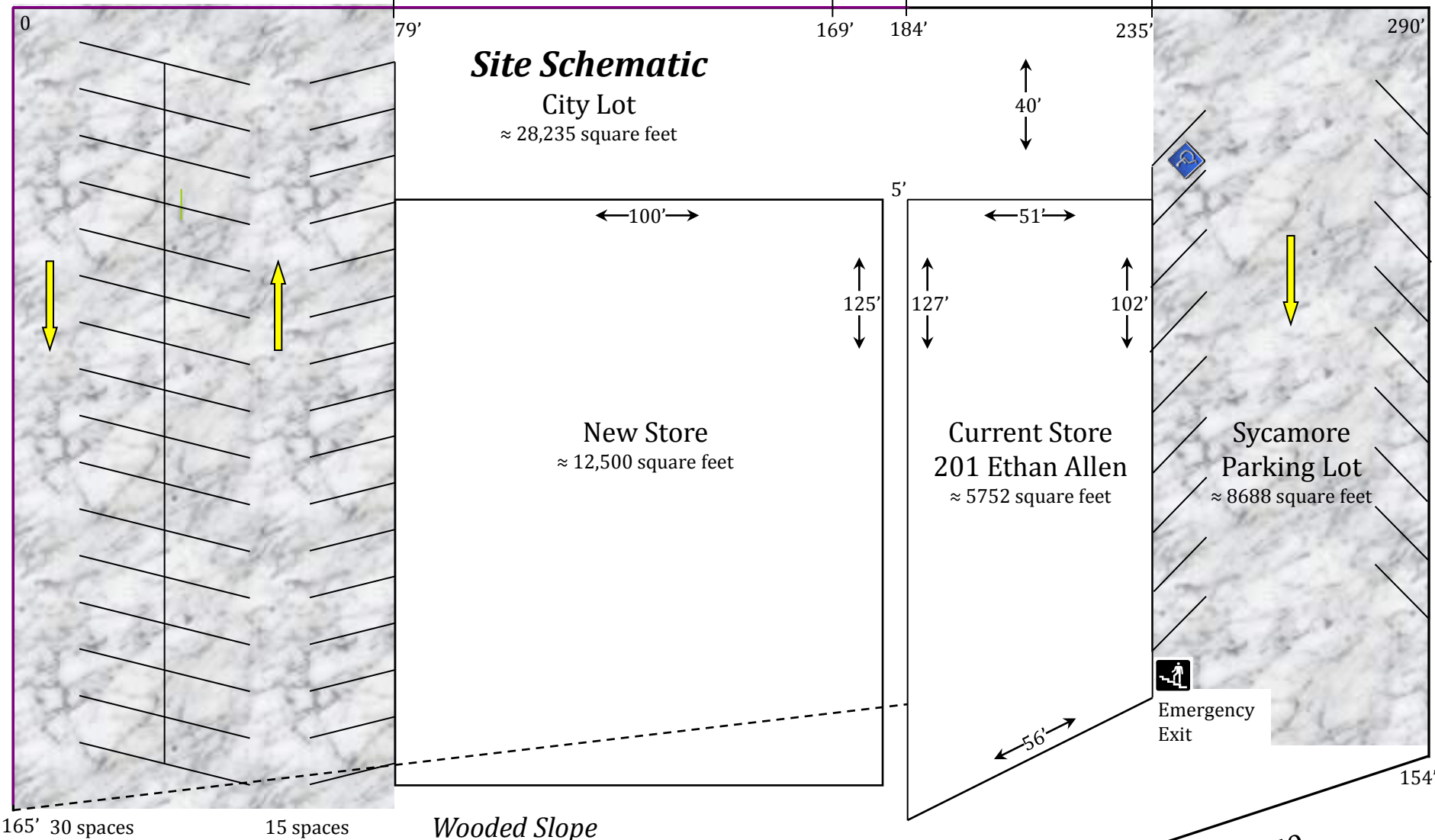
Emergency  
Exit

Columbia Avenue

10 ft

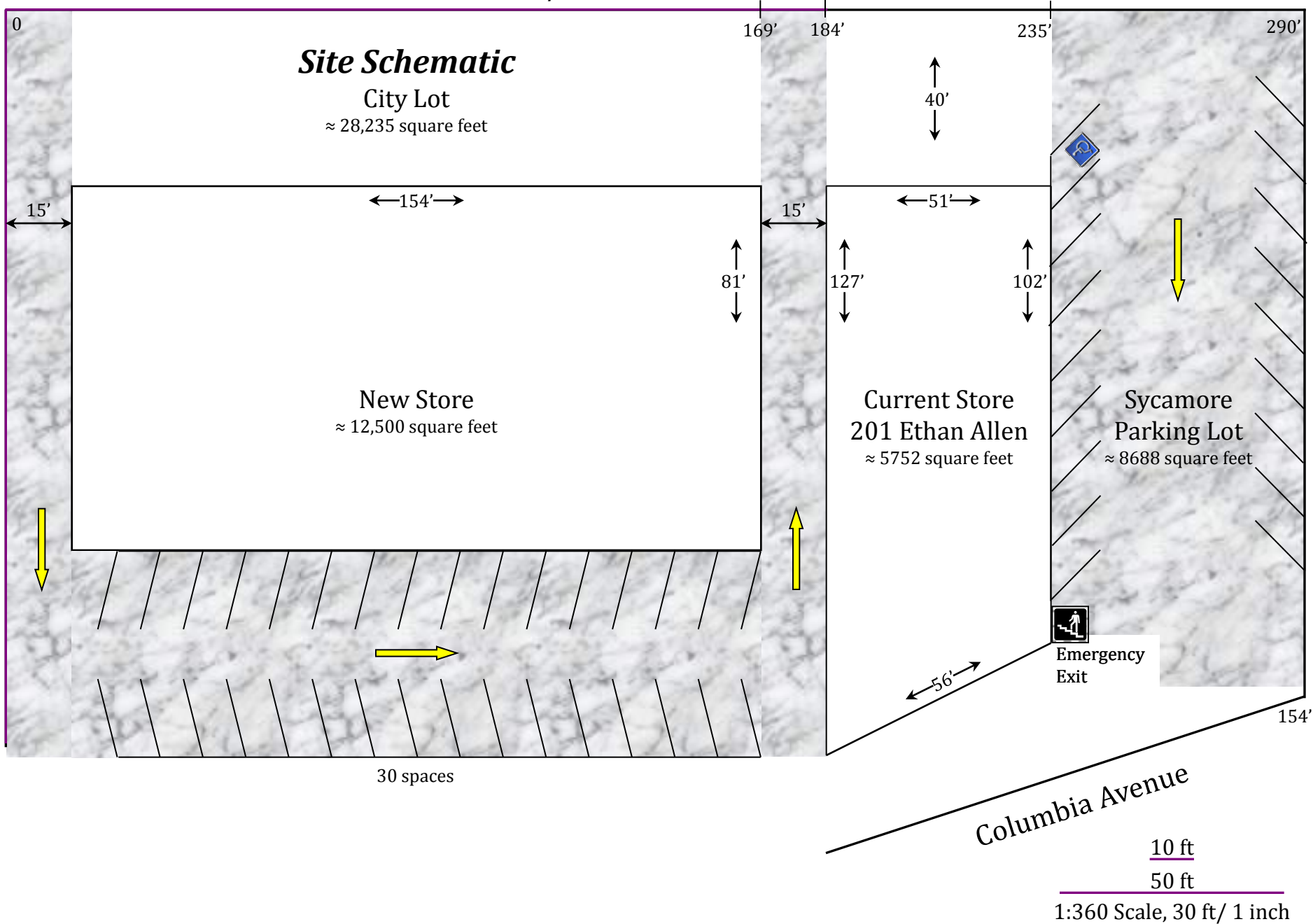
50 ft

1:360 Scale, 30 ft/ 1 inch

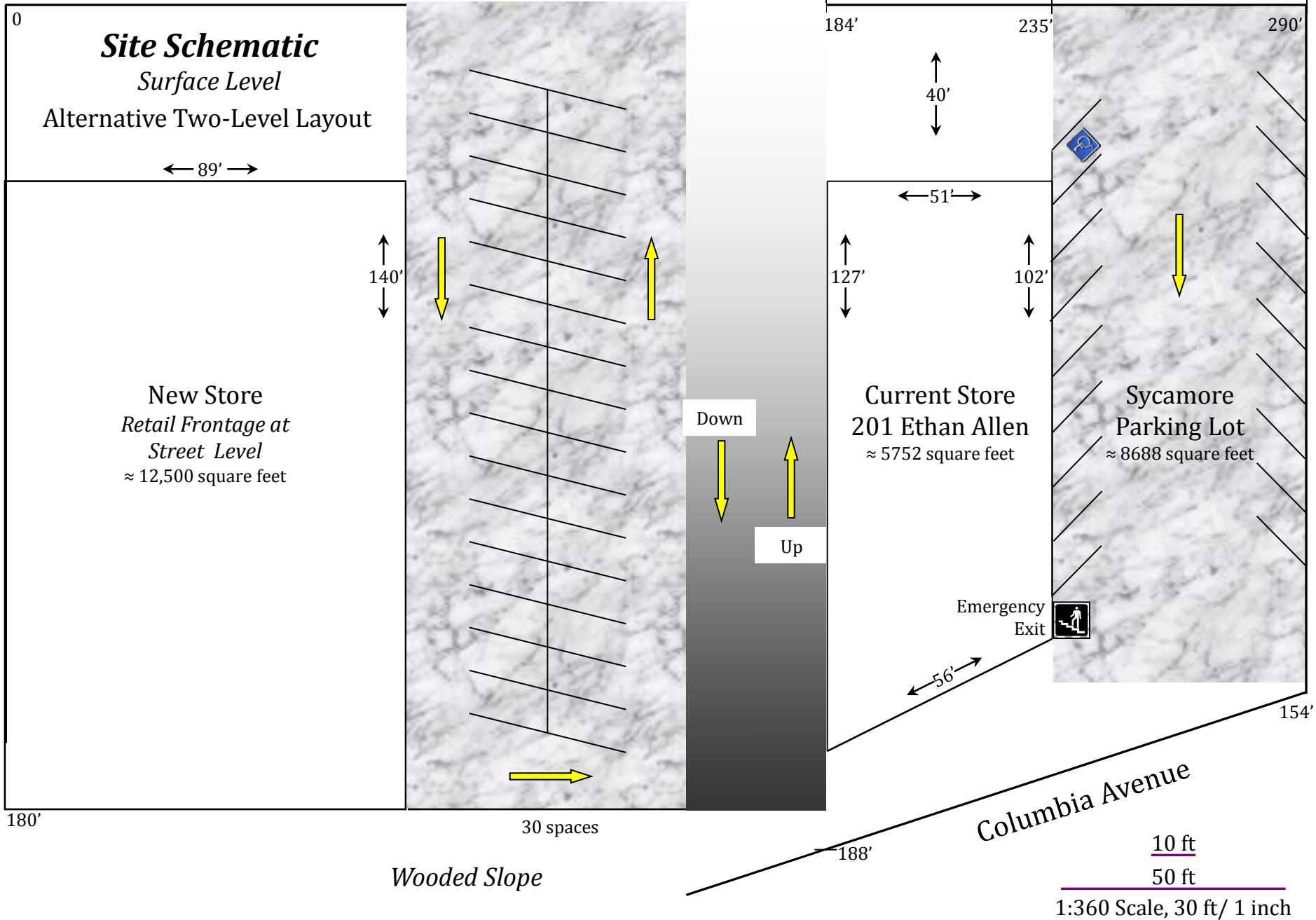




# Carroll Avenue / Ethan Allen



# Carroll Avenue / Ethan Allen



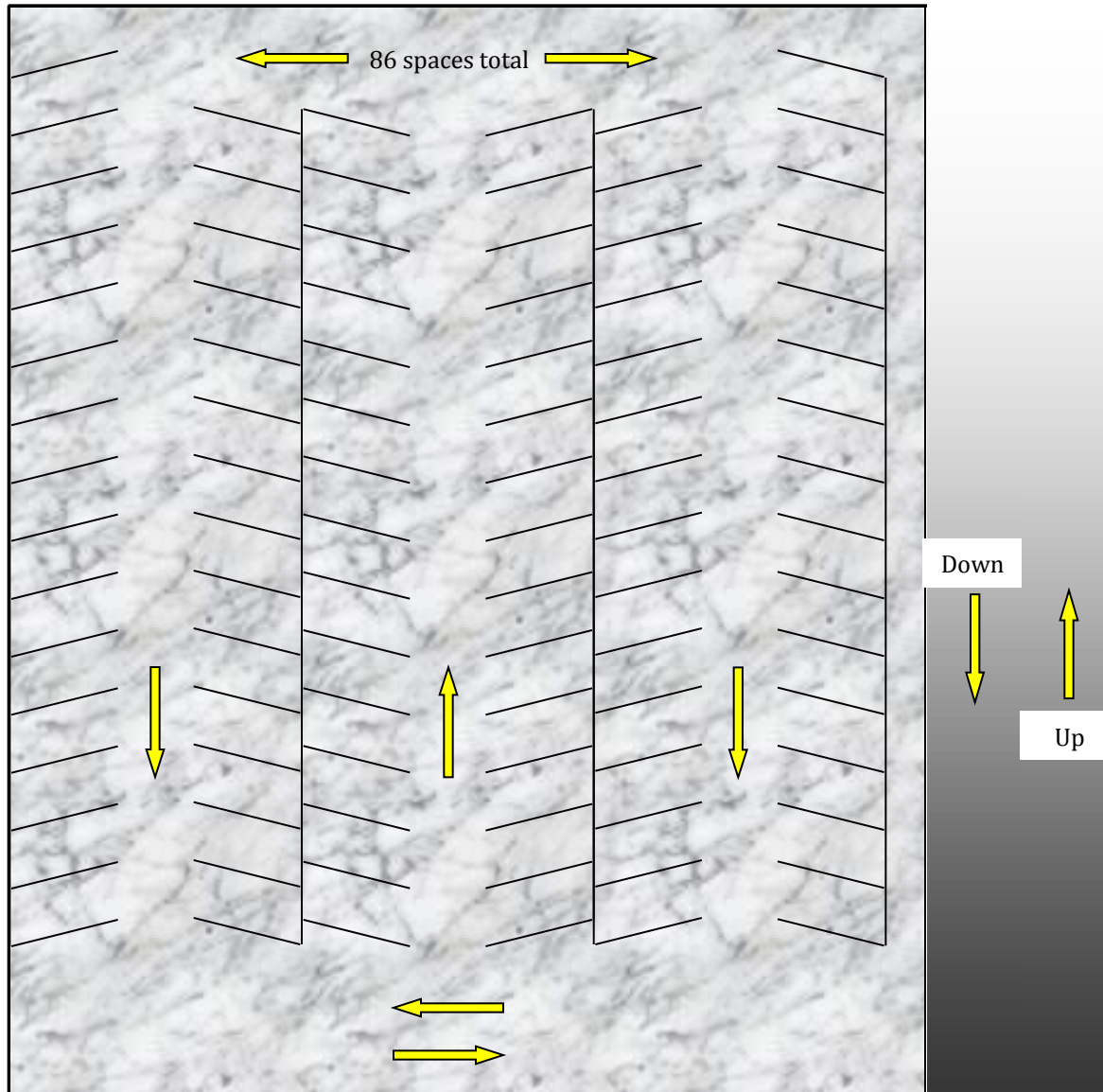
# Carroll Avenue / Ethan Allen

290'

## Site Schematic

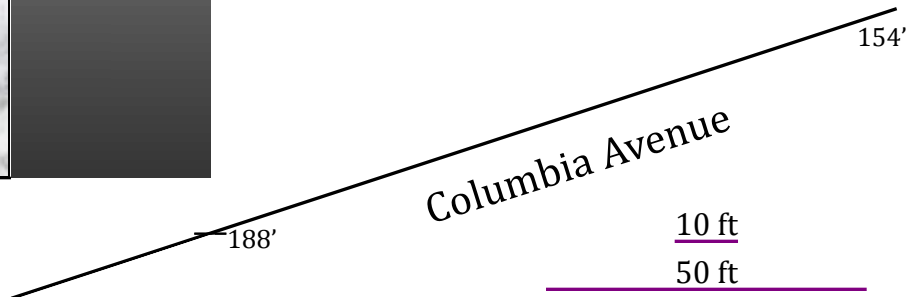
Lower Level

Alternative Two-Level Layout



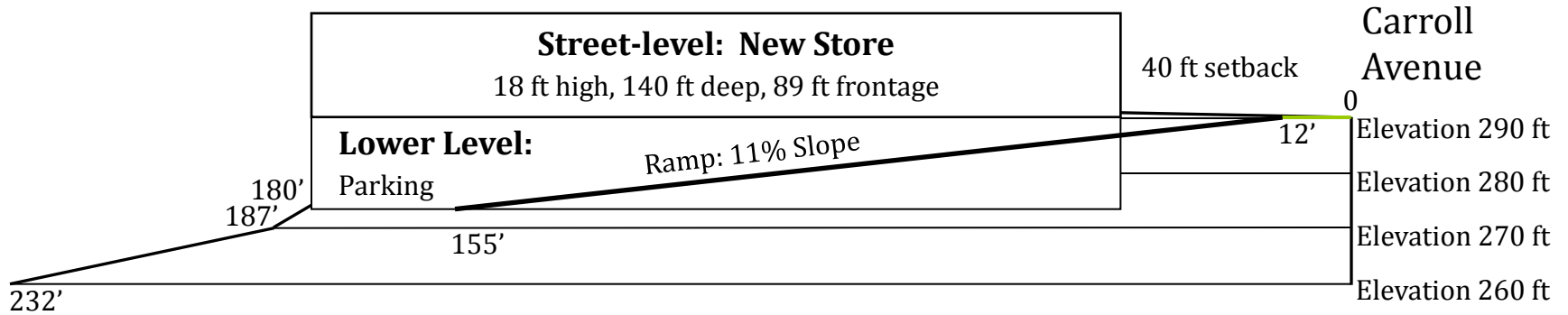
180' 29 spaces 28 spaces 29 spaces

Wooded Slope



10 ft  
50 ft  
1:360 Scale, 30 ft/ 1 inch

***Site Schematic***  
**New Two-level Structure**  
*Elevations*



10 ft | 10 ft  
50 ft  
1:360 Scale, 30 ft/ 1 inch

# ***TPSS Co-op Expansion Project***

## **Objectives**

***TPSS Co-op key objectives for expansion currently include:***

**Initiate discussions with City of Takoma Park and/or Turner Estate, leading to site-control of necessary property**

**Perform feasibility & site-suitability studies on property**

**Conduct outreach with neighboring residents and businesses**

**Consult with City and County officials to determine appropriate parking, traffic and accessibility solutions**

**Begin permitting process with all applicable jurisdictions.  
Determine if any waivers or variances are needed**

**Produce specific site-design and building plans**



# ***TPSS Co-op Expansion Project***

## **Contingencies**

***Several contingencies apply to the expansion project, which could affect the ability of the Co-op to complete the project:***

**Acceptable lease or purchase must be negotiated with the City of Takoma Park and/or the Turner estate for use of the necessary property**

**Adequate debt and equity financing must be secured from Co-op member-owners and outside funding sources**

**Building-site and environmental suitability must be evaluated**

**Permitting must be obtained, in compliance with all applicable laws, codes and regulations**

**Public-private partnership may need to be created to resolve parking and other issues**

***TPSS Co-op looks forward to  
working with the City of Takoma Park  
to expand our store  
and revitalize Takoma Junction***

**Please contact Co-op General Manager  
Abdi Guled**

**201 Ethan Allen Avenue  
Takoma Park, Maryland 20910**

**301-891-2667**

**abdibosh@yahoo.com**

**tpss.coop**